



COMMONWEALTH of VIRGINIA

DEPARTMENT OF ENVIRONMENTAL QUALITY

PIEDMONT REGIONAL OFFICE

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L. Preston Bryant, Jr.
Secretary of Natural Resources

David K. Paylor
Director

Gerard Seeley, Jr.
Regional Director

AIR POLLUTION CONTROL BOARD ENFORCEMENT ACTION ORDER BY CONSENT ISSUED TO PAYNE-RICHMOND, INC. Registration No. 51919

SECTION A: Purpose

This is a Consent Order issued under the authority of Va. Code §10.1-1309 and §10.1-1316, between the Air Pollution Control Board and Payne-Richmond, Inc., for the purpose of resolving certain alleged violations of environmental law and/or regulations.

SECTION B: Definitions

Unless the context clearly indicates otherwise, the following words and terms have the meaning assigned to them below:

1. "Va. Code" means the Code of Virginia (1950), as amended.
2. "Air Pollution Control Law" means Va. Code § 10.1-1300 *et seq.*
3. "Board" means the State Air Pollution Control Board, a permanent collegial body of the Commonwealth of Virginia as described in Code §§ 10.1-1301 and 10.1-1184.
4. "Department" or "DEQ" means the Department of Environmental Quality, an agency of the Commonwealth of Virginia as described in Va. Code § 10.1-1183.
5. "Director" means the Director of the Department of Environmental Quality.

6. "Order" means this document, also known as a Consent Order.
7. "Payne-Richmond" means Payne-Richmond, Inc., certified to do business in Virginia.
8. "Facility" means the Payne-Richmond facility located at 1625-D Ashton Park Drive, in Chesterfield, Virginia.
9. "PRO" means the Piedmont Regional Office of DEQ, located in Glen Allen, Virginia.
10. "Permit" means the Stationary Source Permit to Construct and Operate, which became effective on April 8, 2002 and has been amended several times, most recently on August 11, 2005.
11. "Regulations" means the State Air Pollution Control Board Regulations for the Control and Abatement of Air Pollution 9 VAC 5-10-10 *et seq*; and 40 CFR Section 63.820 - .831, New Source Performance Standards ("NSPS"), Subpart RR (MACT KK as an area source, 40 CFR Section 60.820).
12. "RTO" means regenerative thermal oxidizer.
13. "BACT" means Best Available Control Technology.

SECTION C: Findings of Fact and Conclusions of Law

1. This facility is permitted as a synthetic minor source under a Construct and Operate permit issued on April 8, 2002 and has been amended several times, most recently on August 11, 2005. This facility is subject to the requirements of the New Source Performance Standards ("NSPS"), Subpart RR, and is subject to National Emission Standards for Hazardous Air Pollutants for Printing and Publishing.
2. On January 5, 2006, DEQ PRO staff conducted a Compliance Inspection of Payne-Richmond. The inspection noted a number of alleged violations of the Permit and the Regulations.
3. On April 19, 2006, a Notice of Violation ("NOV") was issued based on the results of the January 5, 2006 inspection. In response to the issuance of the NOV, a comprehensive package, including a thorough collection of operating and emission records was provided for DEQ's review.
4. On August 9, 2006, and November 1, 2006, meetings were held to discuss the issues cited in the above NOV.

5. Additional information and documents were provided to the Department after the August 9, 2006 meeting. The additional documentation resolves many of the issues cited in the April 19, 2006 NOV.

SECTION D: Agreement and Order

1. Accordingly, the Board, by virtue of the authority granted it in Va. Code §10.1-1316(C), orders Payne-Richmond, and Payne-Richmond agrees to perform the actions described in Appendix A of this Order. In addition, the Board orders Payne-Richmond, and Payne-Richmond voluntarily agrees, to pay a civil charge of \$5,880 within 30 days of the effective date of the Order in settlement of the violation cited in this Order. Payment shall be made by check payable to the "Treasurer of Virginia", delivered to:

Receipts Control
Department of Environmental Quality
Post Office Box 1105
Richmond, Virginia 23218

Payment shall include the Federal Tax Identification Number for the Facility.

SECTION E: Administrative Provisions

1. The Board may modify, rewrite, or amend the Order with the consent of Payne-Richmond, for good cause shown by Payne-Richmond, or on its own motion after notice and opportunity to be heard.
2. This Order only addresses and resolves the alleged violations specifically identified herein, including those matters addressed in the Notice of Violation issued to Payne-Richmond by DEQ on April 19, 2006. This Order shall not preclude the Board or the Director from taking any action authorized by law, including but not limited to: (1) taking any action authorized by law regarding any additional, subsequent, or subsequently discovered violations; (2) seeking subsequent remediation of the facility as may be authorized by law; or (3) taking subsequent action to enforce the Order. This Order shall not preclude appropriate enforcement actions by other federal, state, or local regulatory authorities for matters not addressed herein. Payne-Richmond does not waive any rights it may have to object to enforcement actions by other federal, state, or local authorities arising out of the same or similar facts alleged in this Order.
3. For purposes of this Order and subsequent actions with respect to this Order, Payne-Richmond does not admit nor deny, but agrees not to challenge the jurisdictional allegations, factual findings, and conclusions of law contained herein.

4. Payne-Richmond consents to venue in the Circuit Court of the City of Richmond for any civil action taken to enforce the terms of this Order.
5. Payne-Richmond acknowledges it has received fair and due process under the Administrative Process Act, Va. Code §§ 2.2-4000 *et seq.*, and the Air Pollution Control Law and it waives the right to any hearing or other administrative proceeding authorized or required by law or regulation, and to any judicial review of any issue of fact or law contained herein. Nothing herein shall be construed as a waiver of the right to any administrative proceeding for, or to judicial review of, any action taken by the Board to enforce this Order.
6. Failure by Payne-Richmond to comply with any of the terms of this Order shall constitute a violation of an order of the Board. Nothing herein shall waive the initiation of appropriate enforcement actions or the issuance of additional orders as appropriate by the Board or the Director as a result of such violations. Nothing herein shall affect appropriate enforcement actions by any other federal, state, or local regulatory authority.
7. If any provision of this Order is found to be unenforceable for any reason, the remainder of the Order shall remain in full force and effect.
8. Payne-Richmond shall be responsible for failure to comply with any of the terms and conditions of this Order unless compliance is made impossible by earthquake, flood, other acts of God, war, strike, or such other occurrence. Payne-Richmond shall show that such circumstances were beyond its control and not due to a lack of good faith or diligence on its part. Payne-Richmond shall notify the DEQ Regional Director in writing when circumstances are anticipated to occur, are occurring, or have occurred that may delay compliance or cause noncompliance with any requirement of the Order. Such notice shall set forth:
 - a. the reasons for the delay or noncompliance;
 - b. the projected duration of any such delay or noncompliance;
 - c. the measures taken and to be taken to prevent or minimize such delay or noncompliance; and
 - d. the timetable by which such measures will be implemented and the date full compliance will be achieved.

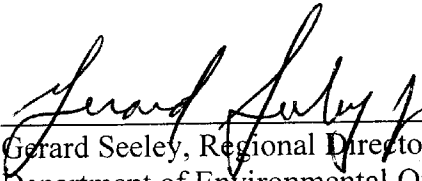
Failure to so notify the Regional Director within 72 hours of learning of any condition above, which the parties intend to assert will result in the impossibility of compliance, shall constitute a waiver of any claim to inability to comply with a requirement of this Order.

9. This Order is binding on the parties hereto, their successors in interest, designees and assigns, jointly and severally.
10. This Order shall become effective upon execution by both the Director or his designee and Payne-Richmond.
11. This Order shall continue in effect until:
 - a. Payne-Richmond petitions the Director or his designee to terminate the Order after it has completed all of the requirements of the Order and the Director or his designee approves the termination of the Order; or
 - b. The Director or Board terminates the Order in his or its sole discretion upon 30 days notice to Payne-Richmond.

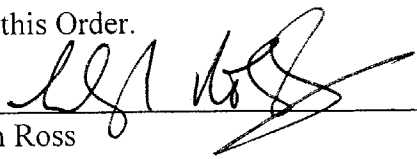
Termination of this Order, or any obligation imposed in this Order, shall not operate to relieve Payne-Richmond from its obligation to comply with any statute, regulation, permit condition, other order, certificate, certification, standard, or requirement otherwise applicable.

12. By its signature below, Payne-Richmond voluntarily agrees to the issuance of this Order.

And it is so ORDERED this day of November 27, 2006.


Gerard Seeley, Regional Director
Department of Environmental Quality

Payne-Richmond voluntarily agrees to the issuance of this Order.

By: 
Hugh Ross
President

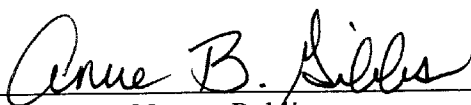
Date: 10 NOVEMBER 2006.

Commonwealth of Virginia

City/County of Chesterfield

The foregoing document was signed and acknowledged before me this 10th day of
November, 2006, by Hugh Ross, who is
Hugh Ross

President of Payne-Richmond, Inc., on behalf of the Corporation.
President


Notary Public

My commission expires: November 30, 2007

Appendix A

Payne-Richmond shall:

1. Within 45 days of issuance of this Order, submit to the Department for review and approval a test protocol or compliance determination method for the enclosure in the printer/coater room. The test must demonstrate a capture efficiency of 95% as determined by EPA Methods 204 and 204 A-F, (reference 40 CFR 51, Appendix M), or an alternate method as approved by DEQ. A demonstration of negative pressure in the printer/coater room as discussed in our meeting on November 1, 2006, would serve to demonstrate a satisfactory alternate method. Subsequent to this testing, Payne may elect to submit a revised BACT analysis to lower the capture efficiency currently contained in the Permit. If this option is selected, the test protocol or compliance determination shall address these lower efficiencies. This compliance test shall be conducted with the roll up doors open and while operating under normal/maximum capacity. Within 20 days of Department notification of approval, implement the test or compliance determination method and submit the results to the Department within the timeline specified in the notification.
2. Within 30 days of issuance of this Order submit to the Department for review and approval a test protocol to demonstrate the destruction efficiency from the operation of the combined RTOs while operating under normal capacity. Within 60 days of Department notification of approval, implement the test and submit the results to the Department within the timeline specified in the notification
3. Within 30 days of completion of # 1 and # 2 above, submit to the Department a complete permit application for the necessary permit revisions to the August 11, 2005 permit, to ensure that:
 - a. Emissions calculations and limits are accurate and representative of facility operations.
 - b. Sufficient information is provided to allow corrections of the limits.
 - c. Sufficient information is readily available to demonstrate ongoing compliance with all lbs/hr emission limits, including a method and/or parametric monitoring with appropriate operating criteria to be maintained for each such parameter.
 - d. The BACT determination (Combustion Temperature of 1400 degrees F for a 1 – second minimum retention time) is appropriate for the VOCs in use at the facility, and that it can be achieved by RTO-1 and RTO-2 operating in accordance with manufacturers recommendations.

- e. A monitoring device is installed, calibrated, maintained, and operated to continuously indicate that the enclosure is operating.
- f. Sufficient information is readily available to demonstrate that temperature drops of RTO-1 and RTO – 2 do not result in excess emissions during normal/maximum operation of the K1 coater and/or the Rotomec printer.